



7020-02

INTERNATIONAL TRADE COMMISSION

[Investigation No. 337-TA-1002]

Certain Carbon and Alloy Steel Products; Commission Determination to Terminate the Investigation in its Entirety

AGENCY: U.S. International Trade Commission.

ACTION: Notice.

SUMMARY: Notice is hereby given that the U.S. International Trade Commission has determined to terminate the investigation in its entirety.

FOR FURTHER INFORMATION CONTACT: Megan M. Valentine, Office of the General Counsel, U.S. International Trade Commission, 500 E Street, S.W., Washington, D.C. 20436, telephone (202) 708-2301. Copies of non-confidential documents filed in connection with this investigation are or will be available for inspection during official business hours (8:45 a.m. to 5:15 p.m.) in the Office of the Secretary, U.S. International Trade Commission, 500 E Street, S.W., Washington, D.C. 20436, telephone (202) 205-2000. General information concerning the Commission may also be obtained by accessing its Internet server at <https://www.usitc.gov>. The public record for this investigation may be viewed on the Commission's electronic docket (EDIS) at <https://edis.usitc.gov>. Hearing-impaired persons are advised that information on this matter can be obtained by contacting the Commission's TDD terminal on (202) 205-1810.

SUPPLEMENTARY INFORMATION: The Commission instituted Inv. No. 337-TA-1002 on June 2, 2016, based on a complaint filed by complainant United States Steel Corporation of Pittsburgh, Pennsylvania ("U.S. Steel"), alleging a violation of section 337 of the Tariff Act of 1930, as amended, 19 U.S.C. § 1337 ("section 337"). See 81 FR 35381 (June 2, 2016). The complaint alleges violations of section 337 based upon the importation into the United States, or

in the sale after importation of certain carbon and alloy steel products by reason of: (1) a conspiracy to fix prices and control output and export volumes, the threat or effect of which is to restrain or monopolize trade and commerce in the United States; (2) misappropriation and use of trade secrets, the threat or effect of which is to destroy or substantially injure an industry in the United States; and (3) false designation of origin or manufacturer, the threat or effect of which is to destroy or substantially injure an industry in the United States. *Id.* The notice of investigation identified forty (40) respondents that are Chinese steel manufacturers or distributors, as well as some of their Hong Kong and United States affiliates. *Id.* In addition, the Office of Unfair Import Investigations is also a party in this investigation. *Id.* Eighteen (18) respondents participated in the investigation and all other respondents were found in default, including fifteen (15) respondents that are subject to the false designation of origin claim (“Defaulting Respondents”). See Comm’n Notice (Oct. 14, 2016), Comm’n Notice (Oct. 18, 2016), Comm’n Notice (Nov. 18, 2016).

On August 26, 2016, the participating respondents filed a motion to terminate U.S. Steel’s antitrust claim under 19 CFR 210.21. On November 14, 2016, the presiding administrative law judge (“ALJ”) issued an initial determination (“ID”), granting Respondents’ motion to terminate Complainant’s antitrust claim under 19 CFR 210.21 and, in the alternative, under 19 CFR 210.18. Order No. 38 (Nov. 14, 2016). On December 19, 2016, the Commission issued a Notice determining to review Order No. 38. See 81 FR 94416-7 (Dec. 23, 2016). On April 20, 2017, the Commission held an oral argument on the issue of whether a complainant alleging a violation of section 337 based on antitrust law must show antitrust injury.

On February 15, 2017, U.S. Steel filed a motion to partially terminate the investigation on the basis of withdrawal of its trade secret allegations, which were alleged against only certain of the participating respondents. On February 22, 2017, the ALJ issued an ID, granting U.S. Steel's motion to terminate the investigation with respect to its trade secret allegations. Order No. 56 (Feb. 22, 2017). On March 24, 2017, the Commission determined not to review Order No. 56. Comm'n Notice (Mar. 24, 2017).

On October 2, 2017, the ALJ issued an ID, granting the remaining participating respondents' motions for summary determination of no section 337 violation based on false designation of origin. Order No. 103 (Oct. 2, 2017). On November 1, 2017, the Commission determined not to review Order No. 103. Comm'n Notice (Nov. 1, 2017).

On March 19, 2018, the Commission terminated the investigation as to the antitrust claim. Notice (Mar. 19, 2018). In the same notice, the Commission requested briefing on remedy, public interest, and bonding concerning the previously defaulted respondents subject to the false designation of origin claim. *Id.*

On March 30, 2018, U.S. Steel submitted a letter indicating that it did not intend to file a response to the Commission's request for briefing on remedy, public interest, and bonding concerning the previously defaulted respondents subject to the false designation of origin claim. Also on March 30, 2018, OUII filed a response to the Commission's notice, recommending that the Commission decline to issue remedial orders against the Defaulting Respondents under the circumstances.

The Commission is authorized to issue relief against defaulters pursuant to section 337(g)(1) "upon request" from the complainant. 19 U.S.C. 1337(g)(1). Because U.S. Steel has abandoned its request, as stated in the complaint, for a remedy against the Defaulting

Respondents, the Commission has determined to terminate the investigation in its entirety.

The authority for the Commission's determination is contained in section 337 of the Tariff Act of 1930, as amended (19 U.S.C. 1337), and in Part 210 of the Commission's Rules of Practice and Procedure (19 CFR Part 210).

By order of the Commission.

Issued: April 9, 2018.

Lisa Barton,

Secretary to the Commission.

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